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DATE: 7 March 1947.

TO : The Director.

FROM : Chief, Legislative Liaison Division.

SUBJECT: Navy Comments, Dated 21 February 1947, On Enabling Legislation for CIG.

The following remarks are submitted in connection with the comments submitted by the Chief of Naval Intelligence regarding enabling legislation for the Central Intelligence Group.

1. (a) To be commented on in detail below.

(b) "It is suggested that sub-paragraph (4) of Section 1(b) be revised by substituting "effective and expeditious processing" for "evaluating, correlating, and interpretation."

Comment: No clarification would result from a substitution of the phrase "effective and expeditious processing" for "evaluating, correlating and interpretation." The latter terms are specifically defined in the Act and have a commonly accepted intelligence meaning. The use of the word "expeditious" as suggested is unnecessary.

(c) To be commented on in detail below.

(d) "Section 3(a)(1) deviates materially from the provisions of the Presidential directive pertaining to members of the N.I.A. It is suggested that it be revised to achieve the following:

(1) N.I.A. membership to consist of four: Secretaries of State, War and Navy and a fourth member appointed by the President.

(2) The Director of Central Intelligence to sit with the membership but to not have a vote.

(3) The Director of Central Intelligence, although appointed by the President, to be responsible to the N.I.A.

"If Congress approves unification on legislation providing for a Council of National Defense, it is considered that that agency could be substituted for the N.I.A."

Comment: Section 3(a)(1) of the proposed Act does not deviate materially from the Presidential directive. However, any discussion is now academic, in view of the present "merger" bill now before Congress.

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1. (c) "Section 3(a)(2), as written, fails to consider the Presidential personal representative."

Comment: This section is also academic, as the "merger" bill does not provide for a personal representative of the President.

(h) "Section 3(b)(1), line 1 - After 'established' insert the following: 'as an interdepartmental cooperative agency.'

"It is considered important that the C.I.G. be maintained as interdepartmental cooperative agency if it is to perform its full usefulness in the formation of national policy, secure wholehearted support from the departments, and be of maximum assistance to the departments in developing common user items."

Comment: This suggestion should be rejected. It is not apparent that any meaning can be added by the inclusion of the phrase "as an interdepartmental cooperative agency." The fact that CIA is an interdepartmental agency is self-evident from other provisions of the Act. The specific coordination functions which the agency has been given indicate in part its cooperative status. It is felt that this phrase is designed largely to serve as a wedge in cutting down CIA's independent operational functions.

(i) "Section 3(b) (1) and (2) - It is recommended that these be amended to include the following proviso: 'That in time of emergency or war at least one of these two posts be filled by a person from military life and that if both are so filled one shall be from the Army or Army Air Force and one from the Navy or Marine Corps!'

Comment: It is felt that this is an undesirable limitation to be included in the Act. It would seem that if the merger bill becomes law, the Army, the Air Forces and the Navy will all be coequal partners in the National Defense establishment, and no attempt should be made to indicate the Army and the Air Forces as a block and the Navy and the Marine Corps as an opposing block. In addition, the Marine Corps does not have within the Naval establishment a position comparable to that of the Air Forces within the War Department, nor will it have such a position in the new defense establishment. It is felt that this position would place an unwarranted restriction on the Presidential selection of a qualified Director and Deputy Director.

(j) "Section 3(b)(4) - It is suggested that consideration be given to amending the first part of this paragraph as follows: 'Officers of the Department of State or the Foreign Service of the U.S. Army, the U.S. Navy or the U.S. Air Force, in such numbers as may be determined and approved by the authority, shall be assigned.'

"It is considered important that adequate representations from the departments having functions relating to the national security be maintained in the Central Intelligence Group."

Comment: It would appear that this is not feasible. It is presumed that the Navy's suggested phrase "the Foreign Service of the

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"U.S. Army" is a typographical error. Under my condition, it does not seem within the province of the Authority to determine and approve the number of officers which the State Department, the Navy, the Army or the Air Force should assign to the C.I.A.. These assignments can be made only by the appropriate departments, in line with their own over-all commitments. The Authority might indicate a desirable figure as to the number of officer personnel which the State Department, the Navy, the Army or the Air Force should assign, but there may be over-riding reasons why these figures cannot be met, and the departments should not be bound in this manner. While it is agreed that adequate representations from the departments should be maintained within C.I.A., this should be a matter for the individual departments to evolve in the course of discussions with appropriate officials in C.I.A., and in line with possible broad suggestions from the Authority.

(k) "Section 3 (b)(4), line 16 - Before 'State Department' insert 'pay of the.' This for reasons of clarity.

Comment: Concurred in.

(l) "Section 3 (c)(1), line 2 - It is suggested that all after 'Board' be reworded as 'consisting of the heads (or their representatives) of the intelligence agencies of the State, War, Navy and Air Departments as permanent members and of such other intelligence agencies of the government having functions related to the national defense and security, as determined from time to time by the Authority."

Comment: This suggestion is moot in view of the fact that the entire section dealing with the Intelligence Advisory Board has been eliminated.

(m) "Section 4 (a)(3) - It is suggested that this section be revised by adding the following: 'and necessary as determined and authorized by the Authority.'"

Comment: The addition of the proposed phrase does not appear to contribute to the meaning of this section. The proposed draft states that collection activities shall be "under the supervision and direction of the Authority." (Section 4 (a) and 4 (a)(3)). Therefore, in view of the fact that it is "under the supervision and direction of the Authority" there seems to be no reason to add "as determined and authorized by the Authority." It is presumed that it will not supervise prior to a determination and will not direct prior to their authorizing themselves to do so. Further, the Authority will not supervise and direct until it seems "necessary."

(n) "Section 4 (a)(4) - "It is recommended that this section be rewritten as follows: 'Conduct timely processing of foreign intelligence information."

Comment: For the reasons expressed in comment (b) above, it is felt that the phrase "evaluation, correlation and interpretation" is preferable to "processing".

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(n) "Section 4 (b), line 2 - It is suggested that 'process' be substituted for 'evaluate, correlate, interpret.' This corresponds more closely in ONI."

Comment: Same comment as in sections (b) and (n) above.

(q) "Section 6 (5) - This reads as though C.I.G. intended to reimburse the War and Navy Departments for officers assigned to duty with the C.I.G. No advantage can be seen to such procedure. It has the disadvantage of needlessly using C.I.G. funds since the pay of such officers would already have been appropriated and available to the War and Navy Departments."

Comment: Experience has shown that this clause is necessary in order to secure services of personnel from some of the departments of the government. This should be an individual matter between the C.I.A. and its contributing departments. The Navy Department need not accept reimbursement if it does not feel it necessary.

(r) "Section 6 (9) - Investigations as authorized here might conflict with the responsibility of the F.B.I. Investigations within the continental limits of the U.S. and its possessions were specifically excepted from the President's letter of 22 January 1946. It is believed that they should continue to be so excepted from C.I.G. responsibility."

Comment: This comment would appear to be unwarranted in view of the specific limitations set forth in Section 4(e) of the Act. The investigations authorized in Section 6(9) are not for purposes of security. It is not contemplated that this will enter into the province of the F.B.I.

2. Paragraph 1 (a), which is set forth as Enclosure (a) of the Navy draft, should not be changed at the present time. In all probability, when the bill is presented in its final form, Sections 1 (a) and 1 (b) of our proposed draft will be telescoped into two or three sentences. Therefore, nothing will be gained by amending it at the present time.

3. Paragraph 1 (c) of the Navy draft suggests the substitution of their Enclosure (b) for the definitions set forth in Section 2 of our proposed draft. Our definition of "strategic and national policy intelligence" having been passed upon and adopted by the NIA at its last meeting, no change in this definition should be made. The other definitions, of "foreign intelligence," "foreign intelligence information," etc., have been supplied by ICAPS after over-all consideration, and therefore should take precedence over the argument that the Navy definitions conform "more closely to long-established usage in ONI."

4. Navy Comment 1 (f): "Section 3 (a) (7) - This section is considered too broad. Intelligence is a function of command and the military commanders must maintain control over operational intelligence. It is suggested that this section be eliminated."

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Navy Comment 1 (g): "Section 3 (a) (8) - This section is similarly considered too broad. It is suggested that it be amended by adding the following: 'except for operational (combat) intelligence in time of emergency or war.'"

Comment: These Navy comments go to the essence of the very need of our existence. It is felt that these paragraphs, as set forth in our bill, should be maintained as written unless we are specifically ordered to amend them by the NIA.

5. Navy Comment 1 (o): "Section 4 (a) (10) - It is considered essential for the Army and Navy to control security of classified naval/military information. This involves the responsibility of CNO (CNI) pertaining to classified naval information and to the release of such information to foreign governments. It also impinges upon and could adversely affect the authority of the Joint Security Control and the Security Advisory Board. It is believed that such security functions should remain with the Army and Navy Departments, the JCS (JSC) and SWNCC (SAB)."

Comment: It is felt that our draft should stand as written. The Navy comment is unduly apprehensive. No attempt would be made under this Section to upset the control of the Army and Navy over its own security of classified information. The most that might be attempted might be the writing of an over-all AR-380-5 which would be applicable alike to the Army, the Navy and the Air Forces. Their own internal control would not be upset nor would it interfere with their own decisions as to the release of classified information to foreign governments. The problem of Joint Security Control which is raised appears immaterial, as it does not come within our purview. The problems raised in connection with the Security Advisory Board do not appear to be particularly pertinent, especially in view of the fact that we will probably take over the Security Advisory Board at a later date.

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